



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

April 26, 2001

VIA FACSIMILE AND FIRST CLASS MAIL

Paul R. Owen, Esq.
Montgomery & Andrews, P.A.
P.O. Box 2307
Santa Fe, NM 87504-2307

**RE: In the Matter of the Hearing Called by the New Mexico Oil Conservation Division on its Own Motion for an Order (I) Requiring I.T. Properties to Properly Plug and Abandon a Certain Well in Eddy County, New Mexico; or (II) Authorizing the Division to Plug and Abandon this Well, and Ordering a Forfeiture of any Plugging Bond Covering this Well.
New Mexico Oil Conservation Division Order No. R-11520**

Dear Mr. Owen:

I am in receipt of your letter outlining the proposed terms for repairing the subject well. Unfortunately, Mr. Gum is away from his office this afternoon, so I have been unable to discuss the terms with him. I am therefore unable to tell you at this time whether the terms you propose are acceptable to the Division.

I should note that the terms are not quite as I had understood them when we spoke this morning. Specifically, in reviewing my notes of our conversation, I had understood that your client would cause a rig to be placed on the site as soon as possible so that the work could be completed within thirty (30) days, not simply begun within that time. In any event, as I have indicated, I will wait to discuss the proposed terms with Mr. Gum before indicating whether the terms are acceptable to the Division.

I am aware that Ms. Wrotenbery is inclined to grant a continuance until next month's Oil Conservation Commission hearing. In the interim, it is my hope that the parties can reach a mutually agreeable resolution to this matter.

Thank you for your attention to this issue. I will contact you as soon as the Division determines whether to accept your client's proposed terms for repairing the subject well.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kurt J. Van Deren". The signature is fluid and cursive, with the first name "Kurt" being more prominent.

Kurt J. Van Deren
Assistant General Counsel

cc: Stephen C. Ross, Esq.
Ms. Lori Wrotenbery
Mr. Tim Gum

New Mexico Energy, Minerals and Natural Resources Department

1220 South Saint Francis Drive
Santa Fe, NM 87505

Facsimile Transmission Sheet

Date: April 26, 2001

To: Tim Gum	From: Kurt J. Van Deren, Assistant General Counsel
Company: Oil Conservation Division	Energy, Minerals and Natural Resources Department, State of New Mexico, Office of the General Counsel
Telephone: (505) 748-1283	Telephone: (505) 476-3213
Fax: (505) 748-9720	Fax: (505) 476-3220

No. of pages (including cover) 3